

Message Text

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ACTION EB-08

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HONG KONG FOR REGIONAL TREASURY REPRESENTATIVE

E.O. 11652: N/A
TAGS: EFIN, ECON, RP
SUBJECT: PHILIPPINE DEBT SERVICE

REF: (A) 77 MANILA 17940, (B) MANILA 4157

1. ESTIMATES PROVIDED BY THE CENTRAL BANK INDICATE THAT THE PHILIPPINE DEBT SERVICE BURDEN, CONSISTING OF PRINCIPAL AND INTEREST REPAYMENTS ON MEDIUM- AND LONG-TERM LOANS, WAS \$753 MILLION FOR 1977 AND WILL BE \$899 MILLION FOR 1978. THE FIGURES, BROKEN DOWN IN THE FOLLOWING TABLE, ARE SLIGHTLY OVERSTATED BECAUSE THE INTEREST ITEM INCLUDES INTEREST PAYMENTS ON SHORT-TERM AND CENTRAL BANK LOANS, AND AVAILABLE DATA COULD NOT BE DISAGGREGATED FURTHER.

DEBT SERVICE, 1977-78
(IN MILLIONS OF DOLLARS)

	1977	1978
PRINCIPAL REPAYMENTS ON		
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MEDIUM-AND LONG-TERM LOANS	430	198
INTEREST PAYMENTS	323	401
TOTAL DEBT SERVICE	753	899

2. ACTUAL FOREIGN EXCHANGE RECEIPTS FOR 1977 WERE SLIGHTLY

HIGHER THAN EARLIER ESTIMATES (REFTEL A), BUT A SHARP
 DOWNWARD REVISION IN EXPORT GROWTH PROJECTIONS FOR 1978
 TO ONLY 1.8 PERCENT (REFTEL B) SUGGEST LOWER OVERALL
 RECEIPTS AND CONSEQUENTLY A HIGHER DEBT SERVICE RATIO THAN
 COMPUTED IN REFTEL A FOR 1978. FIGURES FOR RECEIPTS, ALSO
 PROVIDED BY CENTRAL BANK, ARE DISAGGREGATED IN THE FOLLOWING
 TABLE INTO MERCHANDISE AND NON-MERCHANDISE EXPORTS, AND
 TRANSFER PAYMENTS.

FOREIGN EXCHANGE RECEIPTS
 (MILLIONS OF U.S. DOLLARS)

	ACTUAL 1977	REVISED PROJECTION 1978
MERCHANDISE EXPORTS	3,076	3,133
NON-MERCHANDISE EXPORTS	1,116	1,340
TOTAL (1)	4,192	4,470
TRANSFER PAYMENTS	273	307
TOTAL (2)	4,465	4,777

3. DEBT SERVICE RATIOS ARE COMPUTED FROM THE FIGURES IN
 THE TWO PRECEDING PARAGRAPHS, WITH ALTERNATIVE MEASURES
 FOR RECEIPTS. RATIO 1 REFLECTS RECEIPTS FROM TRADE ONLY,
 WHILE RATIO 2 INCLUDES TRANSFER PAYMENTS.

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DEBT SERVICE RATIOS

	1977	1978
RATIO 1	18.0	20.1
RATIO 2	16.9	18.8

4. COMMENT. WE HAVE NO REVISED OFFICIAL BOP PROJECTIONS
 BEYOND 1978. PRESUMING THAT RECEIPTS WILL BE REVISED
 DOWNWARD, IT WOULD SEEM THAT DEBT SERVICE RATIO PROJECTIONS
 WILL ULTIMATELY BE HIGHER THAN PREVIOUSLY EXPECTED. END
 COMMENT.
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